

Abstract

Title: The economic causes and consequences of the NHL's 2004-2005 season lockout

Objectives: The main objective of this bachelor thesis is to make recommendations which are necessary to prevent further lockouts and for better competitive ability of this professional league. Important is to identify economic causes that created the biggest and the most serious lockout of the NHL's 2004-2005 season, and to evaluate consequences which arose from it. The sub-objective of this thesis is to clarify and explain basic terms which are related to the NHL lockout. Then introduce league itself, its functioning and course.

Methods: This thesis used deskresearch which means a method of analysis of the secondary data from documents of various formats. Hereinafter the comparison method and Porter's five forces analysis.

Results: Result of this thesis is a summary of general information about NHL from its beginning to its structure and crisis in 2004-2005 season. Economic causes which created the lockout were identified by analysis of the secondary data. On the one hand wages of players which have grown faster than revenues of league, on the other economic activities of NHL which was unbalanced due to improper redistribution of income, this created costs in excess of league revenues. Then economic consequences were evaluated. A salary cap was created and was supposed to reduce costs of teams. Thanks to the shared revenues, unprofitable teams began to show a profit and the NHL's economy recorded growth. Subsequently, on the basis of Porter's five forces model, a few recommendations were created that are important for the competitiveness of the league and its smooth functioning. Increase of the fan base through revenue sharing, which should ensure a better balance of competition, as well as the elimination of losers and greater involvement in society.

Keywords: Crises, NHLPA, economic activities of NHL, collective bargaining agreement, ice hockey